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RUEHAK/AMEMBASSY ANKARA 1737
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TAGS: [PGOV](#) [PREL](#) [ECON](#) [ENRG](#) [TI](#) [AF](#) [IR](#)
SUBJECT: THREE "IRAN-FREE" STEPS TO BRING TAJIKISTAN AND AFGHANISTAN
CLOSER

REF: A) Dushanbe 1434 B) Tashkent 1486

CLASSIFIED BY: Richard Hoagland, Ambassador, U.S. Embassy,
Dushanbe, State.
REASON: 1.4 (b), (d)

¶1. (C) The "Persian Language Summit" in Dushanbe July 26 highlighted the cultural and linguistic ties between Afghanistan, Tajikistan and Iran, but also provided an opportunity for the three presidents to declare publicly their economic and energy ties (Reftel A). At the close of the press conference, the Afghan and Iranian leaders expressed their moral support for President Rahmonov's favorite mega-project, Dhasti-Jhum, the proposed 4000 KW hydropower project on the Pyanj River between Afghanistan and Tajikistan.

¶2. (C) While enthusiasm comes at no cost, the mere mention of Dhasti-jhum in this tri-lateral context shows the Tajiks' determination to find support for this project and others on the Afghan-Tajik border. Whether Iran (or Russia) helps them realize their hydropower plans will depend largely on whether other countries step up to the plate first. The recent \$600 million concessional credit agreement with China clearly demonstrates that Tajikistan remains open to any and all investors, particularly in the infrastructure and energy sectors.

¶3. (C) Despite the Tajik political hype, outside experts confirm Dhasti-Jhum has enormous potential for power and irrigation: up to 4000 MW electricity for Tajikistan, Afghanistan and South Asia; new agricultural areas with increased irrigation; and better managed flood plains. But it will take more than political will to make these benefits real.

Dhasti-Jhum, the largest of thirteen potential projects on the Pyanj, can only be developed as a public-private partnership on a cost recovery basis -- not through donations.

¶4. (C) We may have a real opportunity here to practice transformational diplomacy. Just as the U.S.-funded construction of the bridge at Nizhniy Pyanj between Afghanistan and Tajikistan has become a concrete symbol for U.S. commitment to promote South and Central Asian integration, so would increased engagement in Pyanj River water and energy issues demonstrate that Tajikistan and Afghanistan can further strengthen their ties directly, without the involvement of Iran.

¶5. (C) The United States could play a leadership role, through diplomacy and development, by supporting the following three steps:

-- Formulating and funding a feasibility study of a hydropower station at Dhasti-Jhum. The Tajiks have long shopped around the idea of Dhasti-Jhum, but their plans are largely based on Soviet studies. Recent U.S. experts visiting the site concluded the project does indeed have merit and looked much more promising than they had expected after reviewing the old Soviet papers. Nothing would convince Tajikistan of our commitment to regional stability and Tajik hydropower more than helping them flesh out the details of this project. We cannot provide \$600 million in low interest loans -- but we could afford to help with the initial studies on their flagship project.

-- Supporting a Bilateral Tajik-Afghan Committee for Energy issues. The Afghans and Tajiks have already met on energy issues in April, December 2005 and May 2006 (in Istanbul), and signed various memoranda for joint cooperative agreement in the energy sector. (By contrast, Ref B reports a bumpier energy

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relationship between Uzbekistan and Afghanistan.) We should encourage Tajik and Afghan authorities to establish a functioning working body that will discuss power issues and make agreements that stick.

-- Activating the Bi-national Commission on the Joint Development of Water Resources, as per the 1958 treaty between Afghanistan and the Soviet Union. This bilateral commission would be the first step in resolving water management issues. A working level delegation from the Afghan Ministry of Water will visit Dushanbe August 2-9, thanks to the coordinated efforts of Embassies Dushanbe and Kabul. This visit should start an ongoing Tajik-Afghan dialogue about water issues and shared resources, and may lead to activation of the Commission.

¶6. (C) The United States has already been actively developing regional energy networks, through the U.S. Trade and Development Agency's June Istanbul conference "Energy Without Borders" and USAID's Regional Energy Market Assistance Program. But more can be done. The three steps above represent concrete and confidence-building actions. Only by high-profile engagement on issues important to the Tajik and Afghan governments can the United States prove itself as an alternative-and less demanding partner-than Iran.

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